

State of Arizona
House of Representatives
Forty-sixth Legislature
First Regular Session
2003

CHAPTER 138

HOUSE BILL 2462

AN ACT

AMENDING SECTION 15-977, ARIZONA REVISED STATUTES; RELATING TO SCHOOL FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)



1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-977, Arizona Revised Statutes, is amended to
3 read:

4 15-977. Classroom site fund; definition;

5 A. The classroom site fund is established consisting of monies
6 transferred to the fund pursuant to section 37-521, subsection B and section
7 42-5029, subsection E, paragraph 10. The department of education shall
8 administer the fund. School districts and charter schools may not supplant
9 existing school site funding with revenues from the fund. All monies
10 distributed from the fund are intended for use at the school site. Each
11 school district or charter school shall allocate forty per cent of the monies
12 for teacher compensation increases based on performance and employment
13 related expenses, twenty per cent of the monies for teacher base salary
14 increases and employment related expenses and forty per cent of the monies
15 for maintenance and operation purposes as prescribed in subsection C of this
16 section. Teacher compensation increases based on performance or teacher base
17 salary increases distributed pursuant to this subsection shall supplement,
18 and not supplant, teacher compensation monies from any other sources. The
19 school district or charter school shall notify each school principal of the
20 amount available to the school by April 15. The district or charter school
21 shall request from the school's principal each school's priority for the
22 allocation of the funds available to the school for each program listed under
23 subsection C of this section. The amount budgeted by the school district or
24 charter school pursuant to this section shall not be included in the
25 allowable budget balance carryforward calculated pursuant to section
26 15-943.01.

27 B. Monies in the fund are continuously appropriated, are exempt from
28 the provisions of section 35-190 relating to lapsing of appropriations and
29 shall be distributed as follows:

30 1. By March 30 of each year the staff of the joint legislative budget
31 committee shall determine a per pupil amount from the fund for the budget
32 year using the estimated statewide weighted count for the current year
33 pursuant to section 15-943, paragraph 2, subdivision (a) and based on
34 estimated available resources in the classroom site fund for the budget year.

35 2. The allocation to each charter school and school district for a
36 fiscal year shall equal the per pupil amount established in paragraph 1 of
37 this subsection for the fiscal year multiplied by the weighted student count
38 for the school district or charter school for the fiscal year pursuant to
39 section 15-943, paragraph 2, subdivision (a). For the purposes of this
40 paragraph, the weighted student count for a school district that serves as
41 the district of attendance for nonresident pupils shall be increased to
42 include nonresident pupils who attend school in the school district.

43 C. Monies distributed from the classroom site fund shall be spent for
44 the following maintenance and operation purposes:

45 1. Class size reduction.

- 1 2. Teacher compensation increases.
- 2 3. AIMS intervention programs.
- 3 4. Teacher development.
- 4 5. Dropout prevention programs.
- 5 6. Teacher liability insurance premiums.
- 6 D. The district governing board or charter school shall allocate the
- 7 classroom site fund monies to include, wherever possible, the priorities
- 8 identified by the principals of the schools while assuring that the funds
- 9 maximize classroom opportunities and conform to the authorized expenditures
- 10 identified in subsection A of this section.
- 11 E. School districts and charter schools that receive monies from the
- 12 classroom site fund shall submit a report by November 15 of each year to the
- 13 superintendent of public instruction on a per school basis that provides an
- 14 accounting of the expenditures of monies distributed from the fund during the
- 15 previous fiscal year and a summary of the results of district and school
- 16 programs funded with monies distributed from the fund. The department of
- 17 education in conjunction with the auditor general shall prescribe the format
- 18 of the report under this subsection.
- 19 F. School districts and charter schools that receive monies from the
- 20 classroom site fund shall receive these monies monthly in an amount not to
- 21 exceed one-twelfth of the monies estimated pursuant to subsection B of this
- 22 section, except that if there are insufficient monies in the fund that month
- 23 to make payments, the distribution for that month shall be prorated for each
- 24 school district or charter school. The department of education may make an
- 25 additional payment in the current month for any prior month or months in
- 26 which school districts or charter schools received a prorated payment if
- 27 there are sufficient monies in the fund that month for the additional
- 28 payments. The state is not required to make payments to a school district
- 29 or charter school classroom site fund if the state classroom site fund
- 30 revenue collections are insufficient to meet the estimated allocations to
- 31 school districts and charter schools pursuant to subsection B of this
- 32 section.
- 33 G. The Arizona state schools for the deaf and the blind and the state
- 34 education system for committed youth shall receive monies from the classroom
- 35 site fund in the same manner as school districts and charter schools. The
- 36 Arizona state schools for the deaf and the blind and the state education
- 37 system for committed youth are subject to this section in the same manner as
- 38 school districts and charter schools.
- 39 H. Each school district and charter school shall establish a local
- 40 level classroom site fund to receive allocations from the state level
- 41 classroom site fund. The local level classroom site fund shall be a
- 42 budgetary controlled account. Interest charges for any registered warrants
- 43 for the local level classroom site fund shall be a charge against the local
- 44 level CLASSROOM SITE fund. Interest earned on monies in the local level
- 45 classroom site fund shall be added to the local level classroom site fund as

1 provided in section 15-978. In no event shall this state be required to make
2 payments to a school district or charter school local level classroom site
3 fund that are in addition to monies transferred to the state level classroom
4 site fund pursuant to section 37-521, subsection B and section 42-5029,
5 subsection E, paragraph 10.

6 1. MONIES DISTRIBUTED FROM THE CLASSROOM SITE FUND FOR CLASS SIZE
7 REDUCTION, AIMS INTERVENTION AND DROPOUT PREVENTION PROGRAMS SHALL ONLY BE
8 USED FOR INSTRUCTIONAL PURPOSES IN THE INSTRUCTION FUNCTION AS DEFINED IN THE
9 UNIFORM SYSTEM OF FINANCIAL RECORDS EXCEPT THAT MONIES SHALL NOT BE USED FOR
10 SCHOOL SPONSORED ATHLETICS.

11 ~~I.~~ J. For THE purposes of this section:

12 1. "AIMS intervention" means summer programs, after school programs,
13 before school programs or tutoring programs that are specifically designed
14 to ensure that pupils meet the Arizona academic standards as measured by the
15 Arizona instrument to measure standards test prescribed by section 15-741.

16 2. "Class size reduction" means any maintenance and operations
17 expenditure that is designed to reduce the ratio of pupils to classroom
18 teachers, including the use of persons who serve as aides to classroom
19 teachers.

APPROVED BY THE GOVERNOR MAY 1, 2003.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 2, 2003.



Passed the House March 12, 2003

Passed the Senate April 10, 2003

by the following vote: 57 Ayes,

by the following vote: 28 Ayes,

0 Nays, 3 Not Voting

0 Nays, 2 Not Voting

Jake Flake
Speaker of the House

Ken Bennett
President of the Senate

German L. Frou
Chief Clerk of the House

Charmie Billington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

 day of , 20 ,

at o'clock M.

Secretary to the Governor

Approved this day of

 , 20 ,

at o'clock M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this day of , 20 ,

at o'clock M.

Secretary of State

H.B. 2462

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 28, 2003,

by the following vote: 59 Ayes,

0 Nays, 1 Not Voting

Jake Flake
Speaker of the House
Thomas L. Moore
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

28 day of April, 2003

at 2:30 o'clock P M.

Jandra Cronin
Secretary to the Governor

Approved this 1 day of

May, 2003,

at 5⁰⁰ o'clock P. M.

Jan Noyke
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 2 day of May, 2003,

at 3:32 o'clock P. M.

Jamie K. Brewer
Secretary of State

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